Congress of the United States
House of Representatives
Washington, DC 20515

March 10, 2022

Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G St. NW
Washington, D.C. 20038

Director Chopra,

We write you concerning your recent public statements regarding automobile loans and repossessions which paint broad characterizations of the auto lending industry based on extremely limited evidence and characterize legally operating entities as nefarious.

On February 28 of this year your official twitter account, @chopracfpb, sent out the following: No one ever wants to wake up to find that their car has been stolen. Given today's high prices for used cars, the CFPB is taking action to thwart illegal auto repossessions by auto lenders, investors, and servicers." The tweet contained a link to a CFPB blog entitled "CFPB Moves to Thwart Illegal Auto Repossessions[1]." The tweet and this blog post indicate a trend amongst auto lenders, servicers, and investors to prematurely repossess cars solely based on the increase in the price of the vehicle since the beginning of the pandemic. Moreover, your tweet equates the repossessing a vehicle when contractually obligated payments are not made with theft. That is a gross mischaracterization that blurs the line between legal actions and the spike in crime we are seeing in cities across the U.S.

As evidence of these claims, the blog post published by the CFPB points to CFPB Bulletin 2022-04.[2] Within this bulletin the CFPB outlines areas where it believes entities committed an unfair, abusive, or deceptive act or practice. However, upon further review of the bulletin, it contains many examples that occurred well before the pandemic and the increase in automobile prices. Specifically, it mentions supervisory highlights from summer 2017, summer 2018, fall of 2016, and one public enforcement action from 2018. All of these examples occurred well before the pandemic and certainly well before you said, "with today's high car prices, auto lenders and investors might be tempted to seize vehicles for resale in the hot used car market."[3]

In terms of timely references in the CFPB Bulletin, it references the supervisory highlights from the summer of 2021 in 3 separate instances and only one public enforcement action from October 2020.[4]

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[1] https://www.consumerfinance.gov/about-us/newsroom/cfpb-moves-to-thwart-illegal-auto-repossessions/
[2] https://www.consumerfinance.gov/compliance/supervisory-guidance/cfpb-bulletin-2022-04-mitigating-harm-from-repossession-of-automobiles/
[3] https://www.consumerfinance.gov/about-us/newsroom/cfpb-moves-to-thwart-illegal-auto-repossessions/
[4] https://www.consumerfinance.gov/compliance/supervisory-guidance/cfpb-bulletin-2022-04-mitigating-harm-from-repossession-of-automobiles/

Annually there are over 2.2 million car repossessions in the United States.[5] Considering the millions of repossessions taking place every year, the small sample put forward by the CFPB seems hardly representative on the entire industry, and it certainly does not support the CFPB's claim that "High car prices increase risk of improper repossession by lenders, servicers, and investors."[6]

However, if the CFPB believes there is an issue regarding improper repossession, we, in Congress remain ready to hear those concerns. To that point, please respond to the following questions to determine the level of concern Members of Congress should have regarding auto repossessions.

- In the three years prior to the pandemic (2017, 2018, 2019), how many auto repossessions took place within the United States per each year?
- How many auto repossessions took place during the pandemic, in 2020 and 2021?
- In each year described above, please determine how many instances the CFPB found of an abusive act or practice in auto repossessions.
- In each of the above-mentioned years, how many public enforcement actions resulted from automobile repossessions.
- What historic evidence does the CFPB have that higher automobile costs correlate to illegal repossessions?
- With respect to the enforcement actions cited in the Bulletin – does the CFPB have any evidence that the illegal practices cited in these enforcement actions are widespread across the auto lending industry?
- Going forward, does the CFPB commit to resolving limited or circumstantial instances of illegal auto repossessions under your supervision function instead of leading with your enforcement arm?

Furthermore, this letter is the latest in a recent trend from your office making disparaging and derogatory statements about legally operating businesses. As the preeminent regulator of consumer financial products, making unfounded and intentionally damaging statements is well beneath the position you hold. While you certainly have a responsibility to protect consumers, it is important to note, as you did in a separate blogpost, "for many, their car or truck is essential to get to work or to do their work."[7] Absent the ability to obtain financing, many consumers would be forced to go without. It is important that you stick to the job of protecting consumers and leave behind the practice of denigrating an entire industry and the American citizens and consumers they employ.

Sincerely,

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Blaine Luetkemeyer
Member of Congress

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[5] https://www.titleloanser.com/stats/car-repossession-statistics/
[6] https://www.consumerfinance.gov/about-us/newsroom/cfpb-moves-to-thwart-illegal-auto-repossessions/
[7] https://www.consumerfinance.gov/about-us/blog/rising-car-prices-means-more-auto-loan-debt/

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